



# San Diego City Attorney **MICHAEL J. AGUIRRE**

## **NEWS RELEASE**

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### **AGUIRRE SAYS SENATOR KEHOE JUSTIFIED IN REQUESTING STATE INVESTIGATION INTO LEGALITY OF GRANTVILLE REDEVELOPMENT FUND TRANSFERS**

**San Diego, CA**—In a memorandum sent today to the City Council, San Diego City Attorney Michael Aguirre stated that Senator Chris Kehoe was justified in asking the Attorney General to investigate a City Council decision to transfer \$31.6 million of Grantville Redevelopment Area funds to downtown San Diego. In supporting her efforts, the City Attorney is urging the City Council to reconsider filing a validation action, a legal procedure that would establish a deadline in which challenges to the Council's action must be filed.

"Redevelopment dollars must be spent in accordance with state law so it is imperative that any fund transfers related to the City's settlement with the County of San Diego pass muster," said City Attorney Aguirre.

The transfers of monies from the Grantville Redevelopment Area is a result of a settlement with the County of San Diego over a lawsuit the County filed challenging the City Council's 2005 action to create the Grantville community as blighted and in need of redevelopment. The County stood to lose millions of dollars in property taxes by the creation of the Grantville Redevelopment Area.

In settling the lawsuit, the City agreed to transfer \$31.6 million to the Centre City Development Corporation (CCDC) for improvements to the downtown trolley line. CCDC, in turn, will spend the same amount to build a public park on the County waterfront property.

On September 2, 2008, the matter of filing a validation action was part of a closed session agenda item that was requested by the City Attorney. The City Council, however, directed the City Attorney to not file a validation, or any other action related to the settlement.

To view the City Attorney memorandum, visit [www.sandiegocityattorney.org](http://www.sandiegocityattorney.org), click Significant Reports and Legal Documents.

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